

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 286 be amended to read as follows:

- 1 Page 2, between lines 2 and 3, begin a new paragraph and insert:
- 2 "SECTION 2. IC 6-1.1-4-13, AS AMENDED BY P.L.178-2002,
- 3 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the
- 5 land shall be assessed as agricultural land only when it is devoted to
- 6 agricultural use.
- 7 (b) The department of local government finance shall give written
- 8 notice to each county assessor of:
- 9 (1) the availability of the United States Department of Agriculture's
- 10 soil survey data; and
- 11 (2) the appropriate soil productivity factor for each type or
- 12 classification of soil shown on the United States Department of
- 13 Agriculture's soil survey map.
- 14 All assessing officials and the property tax assessment board of appeals
- 15 shall use the data in determining the true tax value of agricultural land.
- 16 (c) The department of local government finance shall by rule provide
- 17 for the method for determining the true tax value of each parcel of
- 18 agricultural land.
- 19 (d) This section does not apply to land purchased for industrial,
- 20 commercial, or residential uses.
- 21 (e) **Notwithstanding any other provision of this article or a rule**
- 22 **adopted by the department of local government finance, for**
- 23 **assessment dates in 2004 and thereafter, the true tax value of**
- 24 **agricultural land may not exceed eight hundred dollars (\$800) per**

acre."

Page 9, delete lines 28 through 42, begin a new paragraph and insert:
 "SECTION 10. IC 6-1.1-12-44 IS ADDED TO THE INDIANA
 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 UPON PASSAGE]: **Sec. 44. (a) As used in this section,
 "agricultural land" refers to land that is assessed as agricultural
 land under IC 6-1.1-4-13.**

**(b) As used in this chapter, "farm" means one (1) or more
 tracts of agricultural land with common ownership that are:**

- (1) devoted to an agricultural use;**
- (2) located in one (1) county; and**
- (3) contiguous, as determined without regard to any
 intervening public, public utility, or transportation easements
 or rights-of-way.**

**(c) As used in this section, "farm owner" means a person who
 is an owner of a farm.**

**(d) As used in this section, "total farmland acreage" means
 total farmland acreage, as determined for agricultural land under
 the rules adopted by the department of local government finance.**

**(e) A farm owner is eligible for a farmstead deduction for
 property taxes first due and payable in 2004 from the assessed
 valuation of the farm owner's farm.**

**(f) The amount of the farmstead deduction for property taxes
 first due and payable in 2004 is equal to twenty-four percent
 (24%) of the assessed valuation of the total farmland acreage in
 the farm. If the farm consists of more than one (1) tract that
 receives separate tax statements under IC 6-1.1-22-8, the
 farmstead deduction shall be allocated among the tracts in
 conformity with the rules adopted by the department of local
 government finance.**

**(g) To obtain the farmstead deduction under this section, a
 farm owner must file a certified statement in duplicate:**

- (1) on forms prescribed by the department of local
 government finance; and**
- (2) containing the information required by the department of
 local government finance;**

**with the county auditor of the county in which the agricultural
 land is subject to assessment. The statement must be filed before
 May 10 of the year containing the assessment date for the first
 year to which the farmstead deduction is to be applied. Upon
 verification of the statement by the township assessor of the
 township in which the agricultural land is subject to assessment,
 the county auditor shall allow the farmstead deduction.**

(h) A person who receives a farmstead deduction under this section for a particular year and who remains eligible for the farmstead deduction for the following year is not required to file a statement to apply for the farmstead deduction for the following year.

(i) A person who receives a farmstead deduction provided under this section for a particular year and becomes ineligible for the farmstead deduction for the following year shall, before March 31 of the year for which the person becomes ineligible, notify the county auditor of the county in which the agricultural land for which the person received the farmstead deduction is located of the person's ineligibility.

(j) The county auditor of each county shall, in a particular year, apply a farmstead deduction provided under this section to each person who received the farmstead deduction in the preceding year unless the auditor determines that the person is no longer eligible for the farmstead deduction.

SECTION 11. IC 6-1.1-21-3, AS AMENDED BY P.L. 192-2002(ss), SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The department, with the assistance of the auditor of state and the department of local government finance, shall determine an amount equal to the eligible property tax replacement amount, which is the estimated property tax replacement.

(b) The department of local government finance shall certify to the department the amount of:

(1) property tax deduction replacement credits provided under IC 6-1.1-21.9 that are allowed by the county for the particular calendar year;

(2) homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year; and

(3) for property taxes first due and payable after 2004, the total amount of credits under section 5.2 of this chapter that are allowed by the county for the particular calendar year.

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the department of local government finance shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

1 STEP TWO: Divide:

2 (A) that part of the estimated property tax replacement amount
3 attributable to the taxing district; by

4 (B) the STEP ONE sum.

5 STEP THREE: Multiply:

6 (A) the STEP TWO quotient; times

7 (B) the taxes levied in the taxing district that are allocated to a
8 special fund under IC 6-1.1-39-5.

9 (d) The sum of the amounts determined under subsections (a)
10 through (c) is the particular county's estimated distribution for the
11 calendar year.

12 SECTION 12. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,
13 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,
14 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department
16 shall allocate from the property tax replacement fund an amount equal
17 to the sum of:

18 (1) each county's total eligible property tax replacement amount
19 for that year; plus

20 (2) the total amount of homestead tax credits that are provided
21 under IC 6-1.1-20.9 and allowed by each county for that year;
22 plus

23 (3) an amount for each county that has one (1) or more taxing
24 districts that contain all or part of an economic development
25 district that meets the requirements of section 5.5 of this chapter.
26 This amount is the sum of the amounts determined under the
27 following STEPS for all taxing districts in the county that contain
28 all or part of an economic development district:

29 STEP ONE: Determine that part of the sum of the amounts
30 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
31 attributable to the taxing district.

32 STEP TWO: Divide:

33 (A) that part of the subdivision (1) amount that is attributable
34 to the taxing district; by

35 (B) the STEP ONE sum.

36 STEP THREE: Multiply:

37 (A) the STEP TWO quotient; times

38 (B) the taxes levied in the taxing district that are allocated to
39 a special fund under IC 6-1.1-39-5; **plus**

40 **(4) the total amount of property tax deduction replacement**
41 **credits that are provided under IC 6-1.1-21.9 and allowed by**
42 **each county for that year; plus**

43 **(5) for property taxes first due and payable after 2004, the**
44 **total amount of credits under section 5.2 of this chapter that**
45 **are allowed by the county for that year.**

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (i), the department shall not distribute under subsection (b) and section 10 of this chapter the money attributable to the county's property reassessment fund if:

(1) by the date the distribution is scheduled to be made, ~~(1)~~ the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance; ~~or~~

1 (2) *by the deadline under IC 36-2-9-20, the county auditor has not*
 2 *transmitted data as required under that section; or*
 3 ~~(2)~~ **(3)** *the county assessor has not forwarded to the department*
 4 **of local government finance** *the duplicate copies of all*
 5 *approved exemption applications required to be forwarded by that*
 6 *date under IC 6-1.1-11-8(a).*

7 (f) Except as provided in subsection (i), if the elected township
 8 assessors in the county, the elected township assessors and the county
 9 assessor, or the county assessor has not transmitted to the department
 10 of local government finance by October 1 of the year in which the
 11 distribution is scheduled to be made the data for all townships in the
 12 county required to be transmitted under IC 6-1.1-4-25(b), the state
 13 board or the department shall not distribute under subsection (b) and
 14 section 10 of this chapter a part of the money attributable to the
 15 county's property reassessment fund. The portion not distributed is the
 16 amount that bears the same proportion to the total potential distribution
 17 as the number of townships in the county for which data was not
 18 transmitted by ~~August 1~~ *October 1* as described in this section bears to
 19 the total number of townships in the county.

20 (g) Money not distributed ~~under subsection (e)~~ *for the reasons stated*
 21 *in subsection (e)(1) and (e)(2)* shall be distributed to the county when:

22 (1) *the county auditor sends to the department of local*
 23 *government finance the certified statement required to be sent*
 24 *under IC 6-1.1-17-1; and*

25 (2) *the county assessor forwards to the department of local*
 26 *government finance the approved exemption applications required*
 27 *to be forwarded under IC 6-1.1-11-8(a);*

28 with respect to which the failure to send *or forward* resulted in the
 29 withholding of the distribution under subsection (e).

30 (h) Money not distributed under subsection (f) shall be distributed
 31 to the county when the elected township assessors in the county, the
 32 elected township assessors and the county assessor, or the county
 33 assessor transmits to the department of local government finance the
 34 data required to be transmitted under IC 6-1.1-4-25(b) with respect to
 35 which the failure to transmit resulted in the withholding of the
 36 distribution under subsection (f).

37 (i) The restrictions on distributions under subsections (e) and (f) do
 38 not apply if the department of local government finance determines that:

39 (1) the failure of:

40 (A) *a county auditor to send a certified statement; or*

41 (B) *a county assessor to forward copies of all approved*
 42 *exemption applications;*

43 as described in subsection (e); or

44 (2) the failure of an official to transmit data as described in
 45 subsection (f);

1 is justified by unusual circumstances.

2 SECTION 13. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: **Sec. 5.2. (a) This section applies to the**
5 **following:**

6 **(1) Real property other than agricultural land.**

7 **(2) Personal property.**

8 **(b) A taxpayer is entitled to a credit each year against the**
9 **property tax liability on property described in subsection (a) that**
10 **is owned by the taxpayer.**

11 **(c) The amount of the credit under this section is equal to the**
12 **additional property tax liability imposed on the person's property**
13 **described in section (a) on account of the reduction in the true tax**
14 **value of agricultural land from the 2003 true tax value of**
15 **agricultural land to the eight hundred dollars (\$800) per acre true**
16 **tax value of agricultural land required by IC 6-1.1-4-13(e) for**
17 **assessment dates in 2004 and thereafter.**

18 **(d) The department, with the assistance of the auditor of state,**
19 **the department of local government finance, and the auditor of**
20 **the county, shall determine the amount of each taxpayer's credit**
21 **under this section and the total amount of credits under this**
22 **section for each county.**

23 **(e) Each year the taxpayers of each county shall receive the**
24 **credit provided by this section for taxes that under IC 6-1.1-22-9**
25 **are due and payable in May and November of that year. The credit**
26 **shall be applied to each installment of taxes.**

27 SECTION 14. IC 6-1.1-21.9 IS ADDED TO THE INDIANA CODE
28 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
29 PASSAGE]:

30 **Chapter 21.9. Property Tax Deduction Replacement Credits**

31 **Sec. 1. This chapter applies to a qualified property tax**
32 **deduction.**

33 **Sec. 2. The definitions in IC 6-1.1-21 apply throughout this**
34 **chapter.**

35 **Sec. 3. As used in this chapter, "county property tax deduction**
36 **replacement amount" means the sum of a particular county's**
37 **taxpayer property tax deduction replacement credits.**

38 **Sec. 4. As used in this chapter, "qualified property tax**
39 **deduction" means the property tax deduction under**
40 **IC 6-1.1-12-44.**

41 **Sec. 5. As used in this chapter, "taxpayer's property tax**
42 **deduction replacement credit" means the amount determined in**
43 **the last of the following STEPS:**

STEP ONE: Determine the sum of the taxpayer's qualified property tax deductions.

STEP TWO: Multiply the STEP ONE result by the total net tax rate applicable in the taxpayer's taxing district.

STEP THREE: Divide the STEP TWO result by one hundred (100).

Sec. 6. The department, with the assistance of the auditor of state and the department of local government finance, shall determine for each county an amount equal to the county property tax deduction replacement amount.

Sec. 7. For purposes of calculating tax rates, the county auditor shall add the sum of each county taxpayer's qualified property tax deductions to the county's net assessed value.

Sec. 8. For purposes of calculating a particular taxpayer's tax bill, the county treasurer shall add the sum of the taxpayer's qualified property tax deductions to the taxpayer's net assessed value.

Sec. 9. Each year the taxpayers of each county shall receive a credit for property tax deduction replacement in the amount of each taxpayer's property tax deduction replacement credit amount for taxes that under IC 6-1.1-22-9 are due and payable in May and November of that year. The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor based on data furnished by the department of local government finance."

Delete pages 10 through 20.

Page 21, delete lines 1 through 29.

Page 21, delete lines 40 through 42, begin a new paragraph and insert:

"SECTION 16. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-21-3 and IC 6-1.1-21-4, both as amended by this act, apply only to property taxes first due and payable after December 31, 2003.

(b) IC 6-1.1-21.9, as added by this act, applies only to property taxes first due and payable after December 31, 2003.

(c) IC 6-1.1-21-5.2, as added by this act, applies only to property taxes first due and payable after December 31, 2004."

Page 22, delete lines 1 through 39.

Re-number all SECTIONS consecutively.

(Reference is to ESB 286 as printed February 20, 2004.)

Representative Espich